

Windy Point Recreation Association, Inc.
223 Vine Drive
Yorktown, VA. 23692
Phone 898-4945
Fax 988-0048

Mr. James McReynolds
County of York, Administer
P.O. Box 532
Yorktown, VA 23692

October 25, 2004

Attention: Mr. McReynolds

SUBJECT: APPLICATION FOR TAX EXEMPTION UNDER VA CODE 58.1-3651

- Enclosures: a. VA Code 58.1-3651
b. Property Deed-Dated May 14th, 1968
c. Articles of Incorporation-Dated 1968
d. IRS Form 990-Dated October 1st, 1969

Sir:

The cited statute VA Code 58.1-3651 is entitled "Property exempt from taxation by classification or designation by ordinance adopted by local governing body on or after January 1, 2003." (Enclosure a., VA Code 58.1-3651).

The Windy Point Recreation Association, Inc. (WPRA) requests that the County of York grant it property tax exemption for the year 2004 and beyond. The property consists of a parcel containing 2.95 acres and a 50 foot road located at 223 Vine Drive, (enclosure b.), Deed Book 211, pages 653 and 654. WPRA qualifies for tax exemption by providing a safe, considerate atmosphere for family and community activities: guided by the WPRA rules and regulations. Our service to the Windy Point Community is similar to many other home owners associations which are tax exempt under the Code of Virginia section 58.1-3284.1. WPRA did not qualify for tax exemption under Virginia Code 58.1-3651, because they were founded in 1968. The statute was not enacted until 1985; and therefore, WPRA did not have automatic membership qualifications deeded to them. However, the deed is restricted so that upon cessation of the WPRA the deeded property and its assets are to be used for the benefit of the WPRA in total and not for the personal benefit of any owner/resident or subgroup of owner/residents.

Windy Point Recreation Association, Inc. relates to the questions for consideration specified in 58.1-3651 section b. as follows:

1. We are a 501(c) (7) organization. We are incorporated in the

MCD
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Commonwealth of Virginia. (Enclosure d., IRS Form 990).

2. We do not have a Virginia State Liquor License. Alcoholic beverages may be consumed at adult only parties by our members and their adult guests.
3. None of the Windy Point Recreation Association Board Officers or members of the board are salaried or paid for services of any kind. Supply costs for the facility purchased by members are reimbursed. Salaried employees include the pool manager, swim coach, and lifeguards.
4. No funds are accrued from local, state or federal grants. We do accept donations and contributions; however, these are not tax deductible to the donors. (Enclosure d., Form 990).
5. We provide activities for adults and youth in York County. The properties include an Olympic size and baby pool, two outer buildings, swing-set, volleyball court, horse shoes, and a basketball area - all services are duplicated in part by the county. These amenities reduce the county's burden while enhancing community property values. (Enclosure d., Form 990).
6. Windy Point Recreation Association offers water safety classes to their members. We support a competitive swim team in the Virginia Peninsula Swimming Association.
7. WPRA also allow organizations such as Cotillion meetings, and the Boy Scouts of America to use the facility for their water tests. The facility is also available for pool parties and for an assortment of other celebrations.
8. WPRA does not support meetings for political related activities.

Other relevant factors:

- a. WPRA bylaws provide that they accept as members any York County residents who wish to be a member on a yearly basis and remain in good financial standing.
- b. Quoting from Code of Virginia 58.1-3284.1 which established tax exemption for automatic membership corporations (see homeowners associations) :

"All real property used for open or common place pursuant to this section shall be construed to having no value in itself for assessment purposes. Its only value lies in the value that is attached to the residential or commercial property which has a right by easement, covenant, deed or other interest."(Enclosure a., Virginia Code 58.1-3284.1).

Windy Point Recreation Association's real value to York County is that it provides services which enhance the properties that surround WPRA as well as the Greater York County.

Unlike automatic membership corporations, WPRA must continue to provide a valuable service to its community in order to remain financially viable or cease to be in service.

Windy Point Recreation Association, Inc. requests the County of York to favorably consider this application. WPRA will gladly submit any additional information needed to assist you in your deliberations to grant property tax exemption.

Respectfully,



Diane Osborne, President
119 Elizabeth Quay
Yorktown, VA 23692
Home Phone 757.898.4884
Cell Phone 757.810.3285
Windy Point Recreation Association, Inc.

dfo

Return of Organization Exempt From Income Tax

Section 501 (c) (other than section 501 (c) (3)) of the Internal Revenue Code

For the calendar year 1969, or other taxable year beginning

Oct 1, 1969, and ending Sept 30, 1970.

1969

Please type,
print or
attach label.
See instr. H.

Name of organization

THE WINDY POINT RECREATION ASSOCIATION, INC

Number and street

C/O F Edward McLean, Rt 2, Box 128 Fairfield Dr

City or town, State, and ZIP code

Yorktown, Virginia 23440

Employer Identification No.
(See instruction H)

540839637

Is this a group return
filed on behalf of sub-
ordinates (who are cov-
ered by a group exemp-
tion letter)?

☐ Yes ☒ No

Enter the name and address used on your return for 1968 (if the same as above, write "Same"). If none filed, give reason.

"Same"

- 1 Date of exemption letter December 4, 1968
- 2 Subsection of section 501 (c) under which you have qualified for exemption 501 (C)-7
- 3 State nature of activities Operate a non-profit Community Swimming Pool and Recreational Facility
- 4 Have you filed a tax return on Form 990-T for this year? ☐ Yes ☒ No
If "Yes," where filed? _____
Unrelated business gross income reported \$ _____
- 5 Was a Form 990 filed for the preceding year? ☒ Yes ☐ No
If "Yes," where filed? IRS Service Center, Philadelphia
- 6 What is the legal form of your organization (corporation, trust, unincorporated association, etc.)? Corporation
- 7 In what year was your organization formed? 1967
In what State or country? Virginia
- 8 If exempt as described in section 501 (c) (2), state name and address of organization for which you hold title to property.

- 9 If you are successor to previously existing organization(s), give name(s), address(es) and employer identification number of the predecessor organization(s).
Windy Point Recreation Assn
33 School Lane, Gratton Br.
Yorktown, Va 23440
- 10 The books are in care of F. Edward McLean
Treasurer
Located at Rt 2 Box 128 Fairfield Dr
Yorktown, Va 23440
- 11 Have any changes not previously reported to the Internal Revenue Service been made in your articles of incorporation or by-laws or other instruments of similar import? ☒ Yes ☐ No
If "Yes," attach a copy of the amendments.

- 12 Do you have capital stock issued and outstanding? ☐ Yes ☒ No
If "Yes," complete the following:

	PREFERRED STOCK	COMMON STOCK	OTHER (Name)
a. Number of shares outstanding:			
(1) Held by individuals			
(2) Held by organizations			
Total shares outstanding			
b. Number of stockholders at end of year			
(1) Dividend requirements:			
(a) Preferred stock			
(b) Common stock			
(c) Other			
- 13 Did any officer, director, trustee, etc., receive a gift, living quarters, or anything of value not included in compensation reported on line 13 or 21, page 2? ☐ Yes ☒ No
If "Yes," attach detailed statement.
- 14 If any of your income is derived from members' dues, assessments, etc., show amounts allocated for:

a. Affiliated organizations	\$ _____
b. Welfare funds	\$ _____
c. Political purposes	\$ _____
d. Other purposes <u>Operations</u>	\$ <u>8,055.00</u>
- 15 Have you had any sources of income or engaged in any activities which have not previously been reported to the Internal Revenue Service? ☐ Yes ☐ No
If "Yes," attach detailed statement.
- 16 If you are the type of organization described in section 501 (c) (7), enter gross receipts and other income shown on page 2, line 8 or 10, attributable to:

a. Members and their guests	\$ <u>2,644.99</u>
b. Others	\$ _____
- 17 Did you lease or rent any real property to or from a person or groups of persons directly associated with you? ☐ Yes ☒ No
If "Yes," attach detailed statement.

See additional questions on page 3

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. If prepared by a person other than taxpayer, his declaration is based on all information of which he has any knowledge.

CORPORATE
SEAL

Date

Signature of officer

Title

Date

Individual or firm signature of preparer

Address

659-10-80648-1

Schedule A.—STATEMENT OF GROSS INCOME, RECEIPTS AND DISBURSEMENTS**Income, Dues, Contributions, etc.**

1 Dues, assessments, etc., from members, excluding service and other charges properly included under line 8 (see Instruction I)		7,930.00
2 Dues, assessments, etc., from affiliated organizations (see Instruction I)		
3 Contributions, gifts, grants, etc., received (see Instruction I)		
4 Payments received in Health, Welfare, Unemployment Compensation benefits, etc., fund:		
(a) From employers		
(b) From employees		60.20
5 Interest		
6 Dividends		
7 (a) Gross rents		
(b) Gross royalties		
8 Gross receipts from all business activities (state nature): (Attach a statement explaining how each business activity not reported in Form 990-T contributed importantly to your exempt purpose. See instruction D.)	2,037.24 537.75	2,640.00
9 Gain (or loss) from sale of assets, excluding inventory items (see Instruction I)		161.72
10 Other income (if more than 10 percent of line 11, attach itemized schedule. Also see Instruction I)		10,696.91
11 Total of lines 1 through 10		

Disposition of Income, Dues, Contributions, etc.**A Expenses attributable to income lines 7 and 8 (see Instruction I):**

12 Cost of goods sold		1,560.24
13 Compensation of officers, directors, trustees, etc. (attach statement showing name, social security number, position, compensation, and time devoted to position)		
14 Wages, salaries, and commissions (not included on line 13). (Number of employees <u>2</u>)		836.00
15 Interest		
16 Taxes (such as property, income, social security, unemployment taxes, etc.)		
17 Rent		
18 Depreciation and depletion (attach schedule)		
19 Miscellaneous expenses (state nature):		

B Other expenses:

20 Dues, assessments, etc., to affiliated organizations		
21 Compensation of officers, directors, trustees, etc. (not included on line 13) (attach statement showing name, social security number, position, compensation, and time devoted to position)		
22 Wages, salaries, and commissions (not included on line 14). (Number of employees _____)		3,869.20 ✓
23 Interest (not included on line 15)		753.75
24 Taxes (not included on line 16)		606.95
25 Rent (not included on line 17)		
26 Miscellaneous expenses not elsewhere classified (state nature):		
Utilities 776.84; Pool Service 395.07; Legal 5.00	1,176.91	
Maintenance 991.75; Insurance 576.00; Office 122.28	890.03	
Supplies 99.22; Chemicals 723.98; Misc 349.68	1,172.88	3,239.95

C Contributions:

27 Contributions, gifts, grants, etc., paid (state to whom paid):

D Other dispositions:

28 Benefit payments to or for members or their dependents:

- (a) Death, sickness, hospitalization, or disability benefits
- (b) Unemployment compensation benefits
- (c) Other benefits (state nature)

29 Dividends and other distributions to members, shareholders, or depositors

30 Additions to retained earnings (attach schedule)

31 Total of lines 12 through 30 (see Instruction I)

10,865.59

Schedule B.—BALANCE SHEETS

	Beginning of taxable year		End of taxable year	
	(A) Amount	(B) Total	(C) Amount	(D) Total
ASSETS				
1 Cash		2,462.85		2,283.40
2 Notes and accounts receivable	257.97		182.97	
(a) Less allowance for bad debts		257.97		182.97
3 Inventories				
4 Investments in governmental obligations:				
(a) United States and instrumentalities				
(b) State, subdivisions thereof, etc.				
5 Investments in nongovernmental bonds, etc.				
6 Investments in corporate stocks (see Instruction II)				
7 Other investments (attach schedule)				
8 Depreciable (and depletable) assets (attach schedule)				
(a) Less accumulated depreciation (and depletion)				
9 Land		3,000.00		3,000.00
10 Other assets (attach schedule)		52,919.18		53,973.63
11 Total assets		58,640.00		59,440.00
LIABILITIES AND NET WORTH				
12 Accounts payable		150.00		150.00
13 Bonds, notes, and mortgages payable:				
(a) With maturity of less than 1 year				
(b) With maturity of 1 year or more		12,000.00		7,400.00
14 Other liabilities (attach schedule)				
15 Capital stock: (a) Preferred stock				
(b) Common stock				
16 Membership certificates		46,490.00		51,890.00
17 Paid-in or capital surplus (or donated capital if a trust)				
18 Retained earnings—Appropriated (attach schedule)				
19 Retained earnings—Unappropriated				
20 Less cost of treasury stock		()		()
21 Total liabilities and net worth		58,640.00		59,440.00

Continued from page 1

- 18 Did you hold any real property for rental purposes with respect to which there is an indebtedness incurred in acquiring the property or in making improvements thereto, or which was acquired subject to a mortgage or similar lien? . . . ☐ Yes ☒ No
If "Yes," attach detailed statement.

- 19 If you are the type of organization described in section 501(c)(17), after December 31, 1959, did—

The creator of your trust, or

A contributor to your trust, or

A brother or sister (whole or half blood), spouse, ancestor, or lineal descendant of such creator or contributor, or

A corporation owned (50 percent or more of voting stock or 50 percent or more of value of all stock) directly or indirectly by such creator or contributor:

(a) Borrow any part of your income or corpus? . ☐ Yes ☐ No(b) Receive any compensation for personal services from you? ☐ Yes ☐ No(c) Obtain any part of your services? ☐ Yes ☐ No(d) Purchase any securities or other properties from you? ☐ Yes ☐ No(e) Sell any securities or other property to you? . ☐ Yes ☐ No

- (f) Receive any funds of the trust in any other transaction? ☐ Yes ☐ No

If answer to any question is "Yes," attach detailed statement unless previously reported. If previously reported, give year(s).

If answer to question (a), (d), or (e) is "Yes," or if you acquired through any source debentures or other obligations or stock or securities of any of the parties enumerated, also furnish the following information relating to the debtor, purchaser, or vendor (unless previously filed and a favorable ruling or determination letter had been received):

- (1) Balance sheets of the employer as at the close of the last accounting period and for the taxable year ended prior thereto.
- (2) Comparative statements of income and profit and loss of the employer for the last five taxable years.
- (3) An analysis of the retained earnings of the employer for the last five years and specifically showing the amount and rate of dividends paid on each class of stock.
- (4) A statement accounting for all material changes from the latest dates of the aforesaid statement to the date of filing the information.
- (5) A schedule showing the nature and amounts of the various assets in the trust fund.
- (6) A statement setting forth the amount invested in the stock or securities of the employer, or a corporation controlled thereby, and the debtor, purchaser, or vendor, if another, the nature of the investment, the present rate of return, and the reason for the investment.

BY LAWS

WINDY POINT RECREATION ASSOCIATION, INC.
(As Amended November 12, 1981)

ARTICLE 1

ORGINIZATION AND PURPOSE

SECTION ONE - NAME:

(a) The name of the corporation shall be "Windy Point Recreation Association, Inc.", herinafter referred to as the association.

SECTION TWO - OBJECT AND PURPOSE:

(a) The purpose for which the association is formed shall be to construct, lease and/or own, operate and maintain recreational facilities and in particular a swimming pool, for the common use, benefit and enjoyment of the members of the association, their families, and guests. Nothing herein shall preclude the association from owning and/or leasing, operating and maintaining other recreational facilities and equipment which may be provided from time to time. The association shall be a nonprofit organization and shall not engage in or provide facilities for activities which would jeopardize or tend to jeopardize its eligibility for tax exemption under 26 USCA Sec. 42-43.

SECTION THREE - SEALE:

(a) The corporation seal shall be circular in design and shall have inscribed therein the words "WINDY PIONT RECREATION ASSOCIATION, INC." and in the center of the circle the word "seal".

SECTION FOUR - FISCAL YEAR:

(a) The fiscal year of the association shall be October 1, to September 30.

ARTICLE II

BOARD OF DIRECTORS

SECTION ONE - ORGANIZATION:

(a) The management and control of the association shall be vested in the Board of Directors, hereinafter referred to as the Board, consisting of fifteen (15) elected members.

(b) The term of office for a director shall be one or two years.

SECTION ONE - ORGINIZATION (Cont'd.)

Six (6) members of the original Board shall serve for two years and the remaining nine (9) members shall serve for one year. Thereafter nine (9) Board members shall be elected each year and the six (6) with the highest numbers of votes shall serve for two years.

(c) The President shall appoint with the advice and consent of the Board of Directors of the Windy Point Recreation Association, Inc., a nominating committee of at least ten (10) members of which at least three (3) shall be members of the Association who are not members of the Board. The nomination committee shall submit its report to the membership in writing at least ten (10) days prior to the annual meeting. Nominations and seconds may be made on the floor at the annual membership meeting by any member in good standing. The secretary of the Association shall be chairman of the nominating committee.

SECTION TWO - OFFICERS:

(a) At the first regular meeting after each annual meeting of the membership, the Board shall elect from its own membership a President, a Vice President, Secretary, Treasurer, and an Assistant Secretary-Treasurer who shall hold office for one year or until their respective successors are elected.

(b) There shall be no limit of tenure in these offices except for that of President which shall be limited to a maximum of three (3) consecutive years.

SECTION THREE - POWERS AND DUTIES:

(a) A regular meeting of the Board of Directors shall be held during January, April, May, June, July, August, September, October, and November. The President, or in his absence the Vice-President, may call a special meeting of the Board of Directors at any time, and shall do so upon the written request of any five (5) Directors. The time and place of each meeting shall be fixed by the President or Vice-President as appropriate.

(b) Unless otherwise provided all decisions of the Board shall be by majority vote of the members of the Board present and voting.

(c) Nine (9) members of the Board shall constitute a quorum unless otherwise provided.

(d) If a Director fails to attend any three (3) regular meetings per year of the Board of Directors, or otherwise fails to perform any of the duties devolving upon him as a Director, his office may be declared vacant by the board of Directors and the vacancy filled as herein provided.

BOARD OF DIRECTORS (Cont'd.)

(e) When a vacancy occurs on the Board of Directors, such vacancy may be filled by the Board of Directors at its discretion until the next annual meeting at which time the members of the Association shall elect a new member for the balance of the term.

(f) In addition to the powers conferred upon the Board by law and by the Articles of Incorporation and By-Laws of the Association, and not in limitation thereof, the Board shall have the following authority and power:

(1) Consistent with these By-Laws to establish the terms and conditions controlling membership in the association and to establish standards, criteria, geographical and other limitations governing eligibility for membership in the association, and shall have final authority to accept or reject any membership application.

(2) To hear and decide complaints, charges and grievances which may be made against any member of the association. No member may be expelled, suspended, fined or publically reprimanded or disciplined unless such action be approved by a three-fourths majority of the Board members present.

(3) The Board reserves the right to refund the value of the Certificate of Membership to any person who does not pay the annual membership dues by June first of a swim season. Those members not paid by June first may be declared inactive and assessed the inactive fee and any assessments in effect at that time. The Certificate of Membership shall not be redeemed until all fees and assessments in arrears have been paid.

(4) To require the President to appoint with the advice and consent of the Board such committees as are necessary and helpful in the sound and proper administration of the affairs of the association, and to define the duties and authority of such committees.

(5) To establish and approve annually the dues required from each member to meet the budgeted expenses, which dues shall be submitted to the membership, along with the annual budget, at least ten (10) days before its annual meeting.

A member who by written notice to the association elects for himself or family not to use the facilities of the association during the forthcoming year must pay an inactive fee of twenty per cent (20%) of the annual dues; such inactive fee shall be in lieu of and in full substitution for the annual dues.

ARTICLE II

BOARD OF DIRECTORS (Cont'd.)

(12) To establish initiation fees to be not less than seventy-five dollars (\$75.00) provided, however that no initiation fee shall be required of anyone applying for membership prior to March 1, 1968.

ARTICLE III

OFFICERS AND THEIR DUTIES

SECTION ONE - PRESIDENT:

The President shall be the chief administrative officer of the association, and shall preside at all meetings of the members and of the Board. The President or Vice-President in his absence, with the advice and consent of the Board, shall appoint all standing and other committee chairmen and members, subject to the limits set forth in these by-laws. In addition, the President shall perform such other duties as customarily appertain to the office of President or as he may be directed to perform by resolution of the Board not inconsistent with these by-laws.

SECTION TWO - VICE PRESIDENT:

The Vice-President shall have and exercise all powers, authority, and duties of the President during the absence or disability of the President. In addition, the Vice President shall serve as chairman of the Finance Committee. He shall assume the duties and title of the President upon the death or resignation of the President. On this event, the Board shall elect from its membership a Vice President to fill the vacancy in that office.

SECTION THREE - TREASURER:

The Treasurer shall be the custodian of the funds of the association and of its valuable papers, and financial records and documents, subject to such limitations and control as may be imposed by the Board. The Treasurer shall sign all checks, drafts, and other orders for disbursement of the funds of the association and shall provide and maintain a full and complete record of all income and expenses of the association, and shall prepare and submit a financial statement showing the condition of the association as of the close of business on the last day of the month preceding each meeting of the Board. All regular billings and requests for payment shall be prepared and distributed by the Treasurer. The Treasurer shall be bonded for the faithful discharge of the duties of his office at the expense of the Association.

ARTICLE II

BOARD OF DIRECTORS (Cont'd.)

(6) To make, alter or amend association rules and policies not contrary to the By-Laws and Articles of Incorporation, and consistent with the purpose and objects of the association, and to provide penalties for violation of such rules and policies.

(7) To make or authorize the purchase of services, materials, and supplies and to contract in the name of the association for whatever may be reasonably required in the operation and maintenance of the association and its property and assets, and the power to modify or discontinue any facility, property or program owned or conducted by the association, where in their discretion such action is either necessary or expedient, and to make improvements on the property of the association when to do so is consistent with the purposes, objectives and welfare of the association. Any expenditure in excess of \$2,000 must be approved in advance by the membership if such expenditure is for other than normal and expected operation and maintenance.

(8) To employ at any time, or at least annually, one or more Certified Public Accountants, not necessarily members of the association, to audit the books and accounts of the association or of any officer, employee, committee or agent of the association.

(9) To authorize and provide for compensation to officers, directors, and members of the association for services performed or rendered to the association. The nature of the services rendered the association by an officer, director, or member for which compensation is paid shall be fully disclosed to the membership of the association along with a report as to the amount of compensation paid for such services.

(10) To contract for, employ, direct, and supervise such person or persons as shall be necessary to the operation of the association and to set the terms and conditions of their employment and to engage and discharge any and all employees. The authority to discharge and employ may be delegated to such extent and to such person or persons as the Board may choose.

(11) To approve a budget for the operation and maintenance of the association which budget shall be prepared and submitted to the membership at least ten (10) days before its annual meeting, for the information and guidance of the membership. The budget as approved may be adjusted or reallocated from time to time during the fiscal year of the association, provided that such adjustment or reallocation is approved by three-fourths of the members of the Board present and voting, and further provided that such adjustment or reallocation must not result in expenditures in excess of the total expenditures in the original budget unless approved by a majority of the members present and voting at a special meeting of the members of the association.

ARTICLE III

OFFICERS AND THEIR DUTIES (Cont'd.)

SECTION FOUR - SECRETARY:

The Secretary shall prepare and maintain full and correct minutes of the meetings of the Board and of the members, and shall upon request of the President be responsible for preparing and sending such notices and other reports to the membership as these by-laws may require, and shall conduct all correspondence pertaining to his office or as requested by the President.

SECTION FIVE - ASSISTANT SECRETARY-TREASURER:

The Assistant Secretary-Treasurer shall render aid and assistance to the Treasurer and Secretary in the execution and discharge of the duties and responsibilities of their offices.

SECTION SIX - GENERAL:

In addition to the powers enumerated and conferred upon the officers of the association by Article III herein, they shall perform such other duties as customarily appertain to their respective offices, or which they may be directed to perform by resolution of the Board, not inconsistent with these by-laws.

ARTICLE IV

STANDING COMMITTEES

If the chairman or his designated representative of any standing Committee is not a member of the Board, he shall attend Board meetings without voting power.

SECTION ONE - FINANCE COMMITTEE:

The Finance Committee shall be charged with the continuing duty of studying the fiscal condition and situation of the association and making recommendations to the Board in respect thereto. Specifically, this committee shall make recommendations respecting the amounts of revenue necessary to operate and maintain the association and its facilities in a proper and responsible manner, and as to the amount and extent of dues and fees which should be charged the members of the association. On or before the last meeting of the Board preceding the annual meeting of the association, but in no event less than thirty days prior thereto, the Finance Committee shall submit a proposed budget for the coming fiscal year to the Board for its modification and/or approval. The Treasurer of the association shall be a member of the Finance Committee.

SECTION TWO - MEMBERSHIP COMMITTEE

The Membership Committee shall formulate and upon approval of the Board promulgate a prescribed procedure whereby application for membership in the

ARTICLE IV

STANDING COMMITTEES (Cont'd.)

association may be made in an orderly manner. This committee shall screen applicants for membership to determine the eliibility for membership under the governing standards and criteria set forth in these by-laws and by the Board pursuant to its powers conferred by these by-laws. The Membership Committee shall report the names and such other data as the Board may direct regarding applications for membership along with its recommendations as to whether the applicant should be accepted or rejected.

SECTION THREE - GROUNDS COMMITTEE

This committee shall be charged with the duty of formulating a planned, adequate schedule and routine for the cleaning, repair, servicing, maintenance and safekeeping of the property, equipment and physical assets of the association. It shall take all necessary action under the supervision and control of the Board to see that the physical assets of the association are properly protected, preserved, and maintained. This committee shall have authority within the budgetary allowance established to purchase tools, machinery, articles, and supplies. With the approval of the Board, it shall formulate and publish annually rules governing the ordinary use of the facilities of the association by members and guests.

SECTION FOUR - PLANNING COMMITTEE

This committee shall have the responsibility of planning site improvements, modifications, expansions and overall facility development. This committee shall recommend, for Board approval, disposition of any budgeted site improvement funds. The committee shall also maintain a current plan, blueprint, schedule, and/or program for site development and improvement.

SECTION FIVE - EMPLOYMENT COMMITTEE:

The Employment Committee shall be charged with the responsibility of developing employment requirements, applicant screening and selection, and maintaining cognizance of employee performance. This committee shall submit an estimate of employees salaries to the Finance Committee prior to budget drafts each year. This committee shall also develop and publish annually the responsibilities of key employees such as Manager, Swim Team Coach, etc.

ARTICLE V

MEMBERSHIP

SECTION ONE - NUMBER:

Membership in the association shall be limited to 250 members, plus the number of members who pay the inactive fee.

ARTICLE V

MEMBERSHIP (Cont'd.)

SECTION TWO - CONDITIONS AND REQUIREMENTS FOR MEMBERSHIP:

Upon approval of an applicant for membership by the Board, he shall become a member by purchase or a membership certificate and payment of such initiation fee as the Board, subject to the limitation of these by-laws, may establish. Membership may be maintained by compliance with the rules, regulations and policies of the association and prompt payment of the annual dues established by the Board.

SECTION THREE - APPLICATION FOR MEMBERSHIP:

All applications for membership must be submitted in writing to the Membership Committee for its study and recommendation. Upon receipt of the recommendation of the Membership Committee, the Board shall act upon the application.

SECTION FOUR - RIGHTS AND PRIVILEGES OF MEMBERSHIP:

All members shall have full and equal rights, benefits and privileges. Membership shall entitle the member and all members of his family permanently residing with him to use the facilities of the association subject to reasonable regulations and policies prescribed by the Board. Each member of the association shall be entitled to be present and shall have one vote at all membership meetings. Regardless of the number of certificates of membership owned by a member, he shall have only one vote.

SECTION FIVE - GUESTS:

The association reserves the right to define the term "guest" and to limit the number of days that the pool will be available for guests. Specific regulations will be worked out by the Grounds Committee and Board of Directors.

ARTICLE VI

CERTIFICATE OF MEMBERSHIP

SECTION ONE - NATURE:

All certificates of membership shall be of one type and shall be fully paid upon issue, nonassessable and non-transferable.

SECTION TWO - REDEMPTION OF MEMBERSHIP CERTIFICATES:

Membership certificates shall be redeemable according to the terms and conditions stated therein.

ARTICLE VII

ARTICLE VII

MEETINGS

SECTION ONE - ANNUAL MEETING:

The annual meeting of the association shall be held in October of each year, at a time and place to be determined by the Board. Notice of the annual membership meeting shall be submitted in writing to all members at least ten (10) days prior thereto.

SECTION TWO - SPECIAL MEETINGS:

Special meetings of the members of the association may be called by the Board of Directors. Within twenty (20) days of delivery to the President of a petition signed by 25 or more members calling for a special meeting of the membership, which petition shall state the reason for such special meeting, a special meeting must be held. Written notice of the special meeting and of the business to be transacted shall be given each member at least ten (10) days prior to the date of such special meeting and no other business than that announced may be transacted.

SECTION THREE - QUORUM:

At all meetings of the members of the association, the members present shall constitute a quorum.

SECTION FOUR - RULES GOVERNING CONDUCT OF MEETINGS

Except as otherwise provided herein, Roberts' Rules of Order shall govern the conduct of all meetings of the Association and the Board.

ARTICLE VIII

AMENDMENT TO BY-LAWS

These by-laws may be amended by either of two procedures set out below:

1. The Board may propose a change in the By-Laws if the proposed change is approved by three-fourths of the board voting thereon. Such proposal for a change in the by-laws shall then be submitted to the membership. Notice in writing of the proposed change in the by-laws including a statement of the existing by-law provision must be given all members at least ten (10) days prior to the special meeting or annual meeting at which the proposal is to be considered. Before such proposed change shall be effective it must be approved with two-thirds of the membership in good standing and voting.

ARTICLE VIII

AMENDMENT TO BY-LAWS (Cont'd.)

2. Upon petition of 25 or more members being delivered to the President, where such petition proposed a change in the by-laws, such proposed change shall be submitted to the membership for their approval or disapproval. Should such petition for a change in the by-laws of the association be submitted within sixty (60) days of an annual meeting, such proposal shall be considered at the annual meeting. Should such a petition be delivered more than sixty (60) days prior to the annual meeting, a special meeting shall be held to act upon the proposed change. Written notice of the proposed change and the existing terms of the by-laws shall be given to all members at least ten (10) days prior to the said annual or special meeting. Before such proposed change in the by-laws become effective, it must be approved by two-thirds of the membership in good standing present and voting.

THIS DEED, made this 14th day of May 1968, by and between WILLIAM G. SHIFLETT and MARION J. SHIFLETT, husband and wife, and BERTHA W. HUDGINS and CONWAY S. HUDGINS, her husband, parties of the first part; THE WINDY POINT RECREATION ASSOCIATION, INC., party of the second part; and THE WINDY POINT RECREATION ASSOCIATION, party of the third part.

WITNESSETH: That for and in consideration of the sum of TEN DOLLARS (\$10.00), cash in hand paid, and other good and valuable consideration, the receipt of which is hereby acknowledged at and before the signing, sealing and delivery of this deed, the said parties of the first part do grant and convey with GENERAL WARRANTY OF TITLE, unto THE WINDY POINT RECREATION ASSOCIATION, INC., the following described property, to-wit:

PARCEL I:

All that certain lot, piece or parcel of land situate, lying and being in the Grafton Magistral District, York County, Virginia, containing 2.95 acres, more or less, as shown on that certain plat entitled, "Plat Showing Property of B. E. Watson Estate to be Conveyed to Windy Point Recreation Association, Inc.", dated May 22, 1968, and made by S. J. Glass & Associates, a copy of said plat being attached hereto and made a part hereof, to which reference is hereby specifically made.

PARCEL II:

All that certain lot, piece or parcel of land, situate, lying and being in the Grafton Magistral District, York County, Virginia, and known as "Vine Drive and Vine Drive Extended", said parcel being shown on that certain plat entitled, "Plat showing property of B. E. Watson, Et Als", dated November 20, 1962, and made by S. J. Glass & Associates, said plat being attached to that certain deed dated January 12, 1963, and recorded January 22, 1964, in Deed Book 172 at page 723, in the Clerk's Office of the Circuit Court for the County of York, Virginia, as a Fifty (50) foot road extending from Lindsay Landing Road in a northeasterly direction to the 2.95 acre tract described above and thence in a westerly direction to the property now or formerly owned by George F. Helmer, et ux, the latter portion being shown as being forty (40) feet in width on the above mentioned plat.

Subject, however, to the restrictions and easements of record affecting said property.

Together with all and singular, the buildings and improvements thereon, rights and privileges, tenements, hereditaments and appurtenances unto the said land belonging or anyway appertaining.

TO HAVE AND TO HOLD the said land unto the said party of the second part, in fee simple.

SAVE AS AFOREMENTIONED, the said parties of the first part covenant that they are seized and possessed in fee simple of the said land; that they have the right to convey the same to the grantees; that the said land is free and clear of all encumbrances; that the said party of the second part shall have quiet and peaceable possession of the said land; and that they, the said parties of the first part will execute such further assurances of the said land as may be requisite.

And the said party of the third part, for and in consideration of the sum of ONE DOLLAR (\$1.00), cash in hand paid, the receipt whereof is hereby acknowledged, does join in the execution of this deed for the purpose of conveying all of its title, right and interest in and to the hereinabove described property, to the party of the second part, arising by virtue of a Agreement entered into between Windy Point Recreation Association and the parties of the first part herein, dated August 29, 1967, recorded September 13, 1967, in Deed Book 206, page 43, in the aforesaid Clerk's office.

IN WITNESS WHEREOF, the said parties of the first part have caused their names to be signed and the party of the third part has hereunto caused its corporate seal to be affixed by its proper officers in its behalf first duly authorized, the day and year first above written.

William G. Shiflett (SEAL)
William G. Shiflett

Marion J. Shiflett (SEAL)
Marion J. Shiflett

ATTEST:

THE WINDY POINT RECREATION
ASSOCIATION

By Shirley M. Widamowski
Its President

Deborah L. Williams